

## Message Text

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ACTION SP-02

INFO OCT-01 ISO-00 AF-10 SS-15 L-03 HA-05 EB-08 OES-09  
INR-10 SSO-00 INRE-00 /063 W  
-----089963 111926Z /53

O R 111032Z JUL 78  
FM AMEMBASSY OUAGADOUGOU  
TO SECSTATE WASHDC IMMEDIATE 7546  
INFO AMEMBASSY ACCRA  
AMEMBASSY ABIDJAN

UEHCR/AMEMBASSY BAMAKO 2059  
AMEMBASSY BANJUL  
AMEMBASSY DAKAR  
AMEMBASSY LOME  
AMEMBASSY NDJAMENA  
AMEMBASSY NIAMEY

LIMITED OFFICIAL USE SECTION 1 OF 2 OUAGADOUGOU 3013

STADIS//////////

DEPT FOR AF-MOOSE AND S/P LAKE

E.O. 11652: N/A  
TAGS: EAID, UV  
SUBJECT: ECONOMIC POLICY TOWARDS AFRICA

REF: STATE 164983

1. EMBASSY ENTHUSIASTICALLY ENDORSES WITHOUT RESERVATION  
PROPOSALS FOR NEW U.S. STRATEGY FOR ECONOMIC ASSISTANCE TO  
AFRICA EXPRESSED IN S/P DISCUSSION PAPER. FOLLOWING PARAGRAPHS  
DISCUSS SPECIFICS OF PROPOSALS IN RELATION TO UPPER-VOLTA.

2. INFRASTRUCTURE:  
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A. ROADS: UPPER VOLTA IS PROBABLY THE WORLD'S POOREST COUNTRY.  
IT IS LANDLOCKED, HAS FEWER THAN 700 KM OF PAVED ROADS, AND  
MOST OF THE REMAINING ROADS ARE IMPASSABLE MUCH OF THE YEAR.  
IT IS A GRUELING, OFTEN IMPOSSIBLE AND ALWAYS EXPENSIVE  
ORDEAL TO MOVE GOODS AND SERVICES IN RURAL UPPER VOLTA  
WHERE 95 PER CENT OF THE PEOPLE LIVE. ONE EXAMPLE- THE SWISS

GOVT PROVIDED NEW TRUCKS IN FEBRUARY TO TRANSPORT RELIEF GRAIN TO THE FAMINE-RACKED NORTH. FOUR MONTHS LATER MOST OF THE TRUCKS ARE OUT OF COMMISSION WITH BROKEN AXLES AND BENT DRIVE SHAFTS. ANOTHER EXAMPLE-IN 1974, THE USG TO RELIEVE FAMINE CONDITIONS HAD TO AIRDROP FOOD IN RURAL AREAS AT EXORBITANT COST. WITHOUT ROADS THERE CAN BE NO MOBILITY OF RESOURCES AND NO ECONOMIC DEVELOPMENT. A COST-BENEFIT ANALYSIS OF A ROAD PROJECT IS STATIC AND DOES NOT TAKE INTO ACCOUNT THE INCREASED EMPLOYMENT, INCREASED FOOD PRODUCTION THAT COMES WITH INCREASED ACCESSIBILITY TO MARKET, AND THE CREATION OF SPIN-OFF INDUSTRIES. A C-B ANALYSIS CERTAINLY DOESN'T TAKE INTO ACCOUNT THE IMMEASURABLE COSTS OF STARVATION AND LOST HUMAN LIFE. A LARGE PART OF THE FOOD PROBLEM IS DISTRIBUTION. MANY REGIONS OF UPPER VOLTA PRODUCE SURPLUS FOOD AND WOULD PRODUCE MORE IF IT COULD BE MARKETED. UPPER VOLTA DOES NOT HAVE THE RESOURCES TO TAKE ON ROAD BUILDING PROJECTS ITSELF.

B. RAILROADS- TWO POSSIBILITIES EXIST HERE. ONE IS A SPUR LINE TO THE TAMBEO MANGANESE DEPOSIT AND THE OTHER IS THE CONTINUATION OF THE RAIL LINE FROM ABIDJAN TO NIAMEY WHICH WAS THE ORIGINAL INTENTION.

(1) ONE OF UPPER VOLTA'S FEW NATURAL RESOURCES IS THE TAMBEO DEPOSIT. EXPLOITING THE DEPOSIT IS NOW A MARGINAL COMMERCIAL/INVESTMENT OPPORTUNITY BECAUSE OF THE COST OF LIMITED OFFICIAL USE

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BUILDING THE RAIL SPUR AND THE RESULTING HIGH FREIGHT CHARGES. NEAR TAMBEO IS A MAJOR CALCIUM DEPOSIT. WITH INADEQUATE CONCESSIONAL FINANCING A DUAL PROJECT MAY BE REALIZED (EXTRACTING MANGANESE AND CALCIUM). A SPIN-OFF INDUSTRY WOULD BE THE LOCAL PROCESSING OF CEMENT, REDUCING THE COST OF THAT NECESSARY COMMODITY AND CREATING EMPLOYMENT. THIS WOULD BE A PARTICULARLY INTERESTING PROJECT FOR OPIC PARTICIPATION. IN THE LONG-RUN, THE RAILROAD, THE MINES AND THE CEMENT FACTORY SHOULD BE JUSTIFIABLE ON COMMERCIAL TERMS.

(2) A RAILROAD TO NIGER WOULD LINK THAT OTHER LAND LOCKED COUNTRY TO THE PORTS OF ABIDJAN, TEMA AND LOME AND WOULD BE AN ENORMOUS PLUS TOWARDS THE EFFORT OF REGIONAL INTEGRATION. APPROPRIATE FINANCING FROM THE DEVELOPMENT BANKS AND/OR OPIC WOULD YIELD LARGE LONG-TERM ECONOMIC AND GEO-POLITICAL BENEFITS.

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AMEMBASSY DAKAR  
AMEMBASSY NDJAMENA  
AMEMBASSY NIAMEY

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DEPAT FOR AF-MOOSE AND S/P LAKE

C. IRRIGATION- UPPER VOLTA NEEDS WATER AND IRRIGATION TO INCREASE ITS AGRICULTURAL OUTPUT. IT IS NOT UNCOMMON FOR VILLAGERS TO HAVE TO WALK TWENTY KM FOR DRINKING WATER. ANY EFFORT TO INCREASE WATER AVAILABILITY AND IRRIGATION WOULD MEET THE MOST BASIC OF HUMAN NEEDS.

D. URBAN MIGRATION IS AND WILL CONTINUE TO BE A PROBLEM. ROADS OR NO ROADS, JOBS OR NO JOBS, YOUNG VOLTANS WILL CONTINUE TO MIGRATE TO OUAGA AND BOBO' WHICH ARE REALLY LITTLE MORE THAN BUSH TOWNS THEMSELVES. INFRA-STRUCTURE PROJECTS SHOULD BE LINKED TO OTHER PROJECTS AIMED AT GENERATING REGIONAL INDUSTRY OR IMPROVED AGRICULTURAL POSSIBILITIES. THESE ARE THE BEST PALLIATIVES TO THE PROBLEMS OF URBAN MIGRATION. HOWEVER, URBAN  
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DEVELOPMENT ASSISTANCE IS ALSO NEEDED.

3. MANPOWER TRAINING-- OF COURSE\* UPPER VOLTA NEEDS IT ON EVERY LEVEL.

4. EXPORT PROMOTION: FEW POSSIBILITIES HERE. UPPER VOLTA'S CHIEF EXPORT IS BEEF ON THE HOOF TO IVORY COAST AND GHANA. IMPROVED ROADS, OF COURSE, WOULD LEAD TO MARKETING POSSIBILITIES IN NIGERIA AND IN THE BIG URBAN CENTERS OF THE COASTAL ECOWAS STATES.

5. REGIONAL INTEGRATION: UPPER VOLTA'S MEMBERSHIP IN CEAO AND ECOWAS ONLY HAVE MEANING TO THE EXTENT THAT THE COUNTRY CAN PRACTICALLY BRING ITS GOODS TO MARKET IN NEIGHBORING STATES. REGIONAL INFRASTRUCTURE AND TELECOMMUNICATIONS PROJECTS ARE AN ABSOLUTE NECESSITY FOR MEANINGFUL ECONOMIC INTEGRATION.

6. HEALTH: THIS COUNTRY IS PLAGUED WITH BOTH THE PERMANENT VARIETIES E.G., LEPROSY, BLINDNESS AND THE DEBILITATING VARIETIES E.G., MALARIA, CHRONIC DIARRHEA, AND MALNUTRITION. VIRTUALLY THE ENTIRE POPULATION IS AFFECTED. HOWEVER, THE GOVERNMENT CAN AFFORD TO DEVOTE FEW OF ITS SCARCER RESOURCES TO HEALTH CARE. BOTH THE HUMAN COSTS OF SUFFERING AND THE ECONOMIC COSTS OF DECREASED HUMAN PRODUCTIVITY ARE STAGGERING.

7. ENERGY: IT'S IMPORTED HERE AND EXPENSIVE. SOLAR ENERGY PROJECTS WOULD BE APPROPRIATE. THE SAHEL REGION MAY BE ONE OF THE FEW AREAS IN THE WORLD WHERE SUN-PRODUCED ELECTRICITY WOULD BE CHEAPER THAN THAT PROVIDED BY FOSSIL FUELS. THE VOLTA ELECTRIC UTILITY CHARGES 40 CENTS PER KILOWATT HOUR.

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8. CONCLUSIONS: A SHIFTING OF OUR DEVELOPMENT ASSISTANCE RESOURCES TOWARDS INFRASTRUCTURE IS A MUST. OUR PRESENT BHN PROJECTS IN INTEGRATED RURAL DEVELOPMENT, WOMEN IN DEVELOPMENT, EVEN PEST CONTROL ARE HAVING A FEEBLE PAYOFF. THE ADMINISTRATIVE COSTS OF THE AID MISSION AND THE ENDLESS TEAMS OF CONSULTANTS ARE ENORMOUS. NO ONE WANTS TO RUN DOWN BASIC HUMAN NEEDS. HOWEVER, A SHARP INCREASE IN INFRASTRUCTURE SPENDING WOULD IMPROVE BOTH OUR OBJECTIVE OF MEETING BHN AND MAXIMIZING THE OUTPUT OF DEVELOPMENT PER AID DOLLAR SPENT, BOTH TO OUR BENEFIT AND THAT OF THE AFRICANS. KILLION

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 jul 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978OUAGAD03013  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780284-0128  
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**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** STADIS  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014